

Gaming

ACCOUNTABILITY STATEMENT

This Business Plan for the three years commencing April 1, 2001 was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at April 3, 2001 with material economic or fiscal implications of which I am aware have been considered in preparing the Business Plan.

The Ministry's priorities outlined in the Business Plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this Business Plan.

[ORIGINAL SIGNED]

Ron Stevens, QC, *Minister of Gaming*
April 10, 2001

INTRODUCTION

The Ministry of Gaming includes the Department of Gaming, the Alberta Gaming and Liquor Commission, the Alberta Gaming Research Council and responsibility for the *Racing Corporation Act*.

DEPARTMENT OF GAMING

The department's responsibilities include business management and policy support for the Ministry of Gaming, communications, and lottery funding programs, including the Community Lottery Board Grant Program and the Community Facility Enhancement Program. The department benefits from services provided by the Alberta Gaming and Liquor Commission in the areas of human resources and information technology.

ALBERTA GAMING AND LIQUOR COMMISSION (AGLC)

The Alberta Gaming and Liquor Commission (AGLC), an agent of the Government of Alberta, consists of a Board and a Corporation. The Corporation acts as the operational arm of the organization, while the Board is responsible for policy and regulatory matters. The Commission ensures that gaming and liquor activities in Alberta are conducted with integrity and social responsibility, and maximize the long-term economic benefits for Albertans. The AGLC administers the Alberta Lottery Fund under the provisions of the *Gaming and Liquor Act*. The business plan for the AGLC begins on page 170.

ALBERTA GAMING RESEARCH COUNCIL

The Alberta Gaming Research Council is a broad-based advisory group to the Minister of Gaming. The council is made up of representatives from the gaming industry, the Aboriginal community, youth, seniors, law enforcement, the Alberta Alcohol and Drug Abuse Commission (AADAC), Alberta Gaming, and Alberta Health and Wellness. The Council was established to help direct the research activities of the Alberta Gaming Research Institute. The Institute is an independent consortium of the Universities of Alberta, Calgary and Lethbridge that conducts research into the social and economic aspects of gaming, emerging gaming trends and problem gambling prevention and treatment.

RACING CORPORATION ACT

The Minister of Gaming is also responsible for *The Racing Corporation Act*. The legislation places the responsibility for management and regulation of the horse racing industry in Alberta with a private, not-for-profit agency – the Alberta Racing Corporation.

KEY INITIATIVES

Alberta Gaming continues to identify and work on major initiatives related to gaming and liquor activities in the province. The outcome of these initiatives will have a significant impact on our business over the next three years. These initiatives include:

- consider the recommendations from the gaming licensing policy review to ensure that the appropriate policies and procedures are in place to deal effectively with Alberta's growing and maturing gaming industry;

- develop policy related to gaming facilities on First Nations' land; and
- develop policies related to emerging issues.

VISION

A province that strives to balance choice and responsibility in its gaming and liquor industries, uses revenues derived from these activities for the benefit of Albertans, and provides opportunity for competition and enhanced services in its liquor and gaming industries.

MISSION

To ensure integrity, transparency, disclosure, public consultation and accountability in Alberta's gaming and liquor industries to achieve the maximum benefit for Albertans.

CORE BUSINESSES

The Ministry of Gaming has the following three core businesses.

1. Develop provincial gaming and liquor legislation and policy, and regulate the gaming and liquor industries in accordance with legislation and policy;
2. Manage the Alberta Lottery Fund and administer designated lottery-funded programs to support Alberta communities; and
3. Support leading-edge research on gaming and liquor issues in Alberta.

CORE BUSINESSES, GOALS, KEY STRATEGIES AND MEASURES

CORE BUSINESS #1: DEVELOP PROVINCIAL GAMING AND LIQUOR LEGISLATION AND POLICY, AND REGULATE THE GAMING AND LIQUOR INDUSTRIES IN ACCORDANCE WITH LEGISLATION AND POLICY.

The Ministry develops gaming and liquor legislation, regulation and policy in Alberta, and is committed to developing legislation, regulation and policy that strike a balance between choice and responsibility in gaming and liquor activities.

GOAL	KEY STRATEGIES
Alberta gaming and liquor policy achieves a balance between social responsibility and economic benefit to Albertans.	- Monitor the gaming and liquor industries to identify emerging issues and trends, such as potential growth, and develop policies to address these issues. - Ensure that regulation of the gaming and liquor industries supports legislation and policy. - Monitor gaming and liquor policies in other jurisdictions and develop and implement benchmarks and best practices. - Ensure Albertans are aware of gaming and liquor policy and are consulted with respect to major policy initiatives. - Ensure First Nations gaming policy is consistent with the government's Aboriginal Policy Framework.

PERFORMANCE MEASURES			
Percentage of Albertans surveyed who are satisfied with the conduct of the liquor business in Alberta.	Target 2001-2002	Target 2002-2003	Target 2003-2004
	70%	75%	80%
Percentage of Albertans surveyed who are satisfied with the conduct of legal gaming entertainment in Alberta.	Target 2001-2002	Target 2002-2003	Target 2003-2004
	65%	70%	75%

CORE BUSINESS #2: MANAGE THE ALBERTA LOTTERY FUND AND ADMINISTER DESIGNATED LOTTERY-FUNDED PROGRAMS TO SUPPORT ALBERTA COMMUNITIES.

All provincial government gaming revenue is directed to the Alberta Lottery Fund and identified for use in specific charitable, non-profit, public and community-based initiatives.

The Department of Gaming coordinates development of the Lottery Fund budget and administers designated lottery-funded programs. The Alberta Gaming and Liquor Commission (AGLC) is responsible for administration of the Alberta Lottery Fund, including collection of revenues and disbursement of revenues according to an Appropriation Act.

Alberta Lottery Fund expenditures support programs, projects and foundations administered by various ministries.

GOAL	KEY STRATEGIES		
Lottery funds support charitable, non-profit, public and community-based initiatives.	- Review the disbursement of Alberta Lottery Fund proceeds to ensure all funds are being allocated and expended according to policy and intended use. - Provide Community Lottery Board Grant Program funds to enhance and support project-based community initiatives determined through a local decision-making process. - Provide Community Facility Enhancement Program matching grants to improve Alberta's public use facilities. - Implement and manage changes to the process for distributing revenues, and ensuring accountability for those revenues distributed to the horse racing industry, based upon the terms of the Racing Industry Renewal Initiative. - Develop a process to measure customer satisfaction. - Ensure Albertans are informed of the initiatives supported by the Alberta Lottery Fund.		
PERFORMANCE MEASURES			
Percentage of Alberta Lottery Fund disbursements committed to supporting charitable, non-profit, public and community-based initiatives.	Target 2001-2002	Target 2002-2003	Target 2003-2004
	100%	100%	100%
Percentage of administration costs of lottery-funded programs administered by the Department of Gaming.	Target 2001-2002	Target 2002-2003	Target 2003-2004
	Less than 2% of program disbursements	Less than 2% of program disbursements	Less than 2% of program disbursements
Percentage of Albertans who are aware of the Alberta Lottery Fund and its support for communities and charitable, non-profit organizations.	Target 2001-2002	Target 2002-2003	Target 2003-2004
	Establish baseline	Increasing over time	90% of Albertans surveyed

CORE BUSINESS #3: SUPPORT LEADING-EDGE RESEARCH ON GAMING AND LIQUOR ISSUES IN ALBERTA.

Alberta is committed to being a key partner in supporting gaming and liquor related research. The Ministry established the Gaming Research Council to help direct the activities of the Alberta Gaming Research Institute – a consortium of the Universities of Alberta, Calgary and Lethbridge. The Institute is funded by the Alberta Lottery Fund to conduct research into the social and economic aspects of gaming, emerging gaming trends and problem gambling prevention and treatment.

Through legislation, policy and partnerships, the Ministry also supports the responsible use and enjoyment of alcohol and gaming entertainment.

GOAL	KEY STRATEGIES
The Ministry is a partner in leading-edge gaming and liquor research.	- Support research into, and inform Albertans of, the social and economic aspects of gaming. - In partnership with AADAC and the gaming and liquor industries, ensure consumers of alcohol and gaming products are aware of prevention and treatment programs for problem gambling and alcohol abuse.

PERFORMANCE MEASURES			
Percentage of partners who are satisfied with level of support and cooperation for research, prevention and treatment programs.	Target 2001-2002	Target 2002-2003	Target 2003-2004
	Establish baseline	Increasing over time	90%
Percentage of Albertans surveyed who are aware of prevention and treatment programs for problem gambling and alcohol abuse.	Target 2001-2002	Target 2002-2003	Target 2003-2004
	Establish baseline	Increasing over time	70%

Expense by Core Business

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
EXPENSE						
Core Business						
Develop Legislation, Regulations and Policy for the Gaming and Liquor Industries	70,292	73,377	73,377	89,794	101,105	114,468
Manage the Alberta Lottery Fund and administer Designated Lottery Programs	810,476	781,412	897,312	945,318	1,011,302	1,047,602
Support Gaming and Liquor Research	1,637	1,719	1,719	1,749	1,757	1,760
MINISTRY EXPENSE	882,405	856,508	972,408	1,036,861	1,114,164	1,163,830

Ministry Statement of Operations

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
REVENUE						
Net Income from Commercial Operations						
Video Lottery Terminal Revenue	525,330	520,200	563,000	547,000	554,000	563,000
Casino Gaming Terminal Revenue	174,432	157,900	232,000	308,949	377,749	416,754
Ticket Lottery Revenue	157,502	153,300	152,300	154,000	155,000	156,000
Liquor and Related Revenue	469,883	457,614	470,000	478,000	487,000	497,000
Investment Income						
Lottery Fund Interest Revenue	6,469	6,100	6,100	6,000	6,000	6,000
Other Revenue						
Various	126	-	-	-	-	-
MINISTRY REVENUE	1,333,742	1,295,114	1,423,400	1,493,949	1,579,749	1,638,754
EXPENSE						
Program						
Ministry Support Services	1,348	1,205	1,205	1,504	1,585	1,639
Gaming Research	1,500	1,600	1,600	1,600	1,600	1,600
Lottery Funded Programs	106,350	107,794	107,794	125,631	142,761	142,776
Financial Assistance to Alberta Gaming and Liquor Commission	69,248	72,442	72,442	88,628	99,876	113,196
Lottery Fund Payments to Other Ministries	703,959	673,467	789,367	819,498	868,342	904,619
MINISTRY EXPENSE	882,405	856,508	972,408	1,036,861	1,114,164	1,163,830
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-	-
NET OPERATING RESULT	451,337	438,606	450,992	457,088	465,585	474,924

Consolidated Net Operating Result

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
Ministry Revenue	1,333,742	1,295,114	1,423,400	1,493,949	1,579,749	1,638,754
Inter-ministry consolidation adjustments	-	-	-	-	-	-
Consolidated Revenue	1,333,742	1,295,114	1,423,400	1,493,949	1,579,749	1,638,754
Ministry Program Expense	882,405	856,508	972,408	1,036,861	1,114,164	1,163,830
Inter-ministry consolidation adjustments	(703,959)	(673,467)	(789,367)	(819,498)	(868,342)	(904,619)
Consolidated Program Expense	178,446	183,041	183,041	217,363	245,822	259,211
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-	-
CONSOLIDATED NET OPERATING RESULT	1,155,296	1,112,073	1,240,359	1,276,586	1,333,927	1,379,543

ALBERTA GAMING AND LIQUOR COMMISSION (AGLC)

BUSINESS PLAN 2001-2004

The Alberta Gaming and Liquor Commission is an agent of the Government of Alberta and consists of a Board and a Corporation. The Corporation acts as the operational arm of the organization while the Board is responsible for policy and regulatory matters. The Board consists of a chair, a vice-chair, and three public members.

The responsibilities of the Board of the Alberta Gaming and Liquor Commission are defined in the *Gaming and Liquor Act*. These responsibilities are:

1. The Board ensures that the operations of the Commission are carried out in accordance with the legislation and Board direction.
2. The Board establishes policies for the operations of the Commission. The Board also takes policy direction from the Minister and develops strategies and plans for that policy direction to be effectively implemented.
3. The Board reviews and approves liquor and gaming licenses and registrations.
4. The Board, through the establishment of hearing panels consisting of Board members, conducts hearings into matters involving licenses and registrations and breaches of legislation.

The Corporation consists of administrative and operational components responsible for the day-to-day functioning of the Commission.

AGLC VISION

The AGLC, as an agent of the Government of Alberta, works to achieve the vision of the Ministry of Gaming, namely:

A province that strives to balance choice and responsibility in its gaming and liquor industries, uses revenues derived from these activities for the benefit of Albertans, and provides opportunity for competition and enhanced services in its liquor and gaming industries.

AGLC MISSION

To ensure that gaming and liquor activities in Alberta are conducted with integrity and social responsibility and to maximize long term economic benefits for Albertans.

AGLC VALUES

The Alberta Gaming and Liquor Commission is committed to operating according to the following values. We will:

- strive to balance social and economic responsibilities to the people of Alberta;
- act with integrity and in a fair and impartial manner;
- foster clear, open and courteous communications and consult with stakeholders;
- achieve excellence in customer service;
- nurture a working environment that is characterized by teamwork, collaboration, and open communication;
- be an innovative and adaptable organization that focuses on continuous improvement in the effectiveness and efficiency of our services and business processes; and
- be responsible stewards of assets entrusted to us, maintaining our accountability to the Province of Alberta.

AGLC CORE BUSINESSES

The Alberta Gaming and Liquor Commission has the following three core businesses:

1. License and regulate liquor activities.
2. License and regulate charitable gaming activities.
3. Conduct and manage provincial gaming activities – video lottery terminals, slot machines and lottery ticket sales.

The Alberta Gaming and Liquor Commission also acts as an agent of Alberta Revenue to enforce certain aspects of the *Tobacco Tax Act*, particularly related to the illegal sale and smuggling of tobacco products.

CORE BUSINESSES, GOALS, KEY STRATEGIES AND MEASURES OF THE AGLC

Core Business #1: LICENSE AND REGULATE LIQUOR ACTIVITIES.

The AGLC licenses, registers, regulates and monitors all liquor activities in the province according to the *Gaming and Liquor Act* and Regulation, other provincial and federal legislation, and AGLC policies.

GOAL	KEY STRATEGIES
Develop liquor policy and conduct licensing activities in accordance with the <i>Gaming and Liquor Act</i> and Regulation.	- Conduct regular reviews of policy, terms and conditions and operating guidelines. - Administer policies concerning liquor activities, including policies on advertising and product promotion. - Review licensing application procedures and business practices to increase efficiency and customer service. - Conduct inspections relevant to applications. - Ensure licensees and registrants understand the legislation, operating guidelines and policies related to licences and registrations. - Ensure the collection and distribution of all liquor revenues is conducted according to legislation and policy.
The importation, distribution, sale and consumption of liquor products are conducted according to legislation and policy.	- Ensure liquor products are registered, imported, stored, and distributed according to provincial legislation and policy. - Work with federal customs offices in Alberta to streamline the customs clearance process. - Conduct inspections of licensed premises and investigate all complaints concerning licensed liquor activities. - Investigate alleged violations of the <i>Gaming and Liquor Act</i> and Regulation. - Develop programs to prevent smuggling and the illicit sale of liquor. - Ensure beverage container management is conducted according to the Beverage Container Recycling Regulation.

PERFORMANCE MEASURES			
Licensees comply with legislation, regulations and policy.	Target 2001-2002	Target 2002-2003	Target 2003-2004
	85%	87%	90%
Percentage of licences and registrations approved within established timeframes.	Target 2001-2002	Target 2002-2003	Target 2003-2004
	95%	97%	100%
Percentage of liquor industry clients who are satisfied with level of service provided by AGLC.	Target 2001-2002	Target 2002-2003	Target 2003-2004
	Establish baseline	Baseline + 5%	90%

Core Business #2: LICENSE AND REGULATE CHARITABLE GAMING ACTIVITIES.

Alberta is a leader with its charitable gaming model for casino, pull ticket, raffle and bingo events. These gaming activities only occur when eligible non-profit and charitable organizations apply for and receive licences to conduct gaming activities. Alberta's charitable gaming model ensures proceeds from gaming activities provide a benefit to the community. In 1999-2000 gaming revenue returned to charities from charitable gaming activities was \$163 million.

GOAL	KEY STRATEGIES		
Develop gaming policy and conduct licensing activities under the authority of the <i>Criminal Code of Canada</i> and in accordance with the <i>Gaming and Liquor Act</i> and Regulation.	- Conduct regular reviews of policy, Terms and Conditions and Operating Guidelines. - Develop and implement policy on eligibility criteria and use of proceeds by charitable organizations. - Implement the policy direction arising from the licensing policy review. - Review licensing application procedures and business practices to increase efficiency and customer satisfaction. - Conduct inspections relevant to applications. - Ensure licensees and registrants understand the legislation, policy, Terms and Conditions and Operating Guidelines related to gaming.		
All gaming activities, use of proceeds and financial reporting are conducted according to legislation and policy.	- Manage the charitable gaming model and ensure compliance with respect to casino, bingo, raffle, and pull ticket events. - Ensure charities receive all funds to which they are entitled and that proceeds received from licensed gaming activities are used for approved purposes. - Conduct inspections and audits of gaming licensees and activities. - Improve sharing of information among enforcement agencies and stakeholders. - Investigate all complaints and alleged violations concerning licensed gaming activities. - Implement new audit programs and enhance existing audit programs. - Ensure implementation of and compliance with the First Nations gaming policy.		
PERFORMANCE MEASURES			
Gaming activities are conducted in accordance with legislation, regulations and policy.	Target 2001-2002	Target 2002-2003	Target 2003-2004
	Compliance rates:	Compliance rates:	Compliance rates:
	Bingo: 90%	Bingo: 92%	Bingo: 95%
	Casino: 90%	Casino: 92%	Casino: 95%
	Pull Ticket: 80%	Pull Ticket: 82%	Pull Ticket: 85%
	Raffle: 80%	Raffle: 82%	Raffle: 85%
Percentage of licences and registrations completed within established timeframes.	Target 2001-2002	Target 2002-2003	Target 2003-2004
	95%	97%	98%
Percentage of gaming industry clients who are satisfied with level of service provided by AGLC.	Target 2001-2002	Target 2002-2003	Target 2003-2004
	Establish baseline	Baseline + 5%	90%

Core Business #3: CONDUCT AND MANAGE PROVINCIAL GAMING ACTIVITIES – VIDEO LOTTERY TERMINALS, SLOT MACHINES AND LOTTERY TICKET SALES.

The Alberta Gaming and Liquor Commission owns and operates two primary gaming networks in Alberta – video lottery terminals and slot machines in casino facilities and racing entertainment centres. The AGLC, in partnership with the Western Canada Lottery Corporation (WCLC), also operates ticket lotteries in the province.

GOAL	KEY STRATEGIES
Ensure the video lottery network, casinos and ticket lottery network meet the levels of functionality, performance, game integrity, security and operational efficiencies in compliance with government policy and direction.	- Implement the policy direction arising from the licensing policy review. - Implement the replacement strategy for video lottery terminals, lottery ticket terminals and central monitoring system. - Establish performance standards for video lottery terminals and slot machines. - Maintain lottery ticket sales through enhanced retailer relations, targeted product advertising and promotion, and consumer awareness. - Enhance the technical service model to ensure appropriate on-site service to support the functionality, security and integrity of the video lottery terminal, slot machine, and ticket lottery networks. - Continuously review security requirements to ensure the integrity of gaming operations. - Work with the Alberta horse racing industry to assess the success of the Racing Industry Renewal Initiative. - Define and manage the roles and responsibilities of both the AGLC and the WCLC.
Ensure the efficiency and effectiveness of gaming operations.	- Ensure Alberta Lottery Fund revenues are collected in a timely and efficient manner, and disbursed in accordance with legislation and Treasury Board directives. - Improve efficiency of revenue collection and allocation. - Enhance performance through benchmarking, performance measurement, quality control, and the use of technology.

PERFORMANCE MEASURES			
Retailer satisfaction with AGLC services related to VLTs, slot machines and ticket lotteries.	Target 2001-2002	Target 2002-2003	Target 2003-2004
	80%	82%	85%
On-line availability of central operating system for VLTs and slot machines.	Target 2001-2002	Target 2002-2003	Target 2003-2004
	99%	99.2%	99.5%
Percentage of gaming integrity issues resolved within established timeframes.	Target 2001-2002	Target 2002-2003	Target 2003-2004
	80%	90%	100%

SUPPORTING CORE BUSINESSES AND CORPORATE OBJECTIVES

The AGLC's mandate includes responsibility for the three distinct but complementary core businesses outlined above. Strategies and actions are undertaken to carry out these businesses and are supported by services in human resources, information systems and finance and administration. These areas support the business plan through key initiatives and strategies that affect the entire Ministry.

Human Resource Development Strategies

The AGLC cares about its employees' health, their professional and personal development and the contribution they make to the community. During the next three years, the AGLC's human resource strategy includes continuing to ensure that the knowledge, skills and abilities are in place to meet current business objectives and new challenges facing the AGLC. We are committed to continued professional development and will also continue to offer a variety of training programs for the personal development of staff.

The AGLC is committed to the government's Corporate Human Resource Development Strategy that addresses issues such as the overall aging of the public service, stiff competition for scarce resources and rapidly changing skill needs. As part of our Human Resource Plan, we will undertake initiatives to meet the requirements of the organization and, where appropriate, align these strategies with those of the government-wide initiative. This will include initiatives in the areas of learning, leadership development and recruitment.

Information Systems Strategies

The AGLC is committed to being an innovative user of current technology. Our goal is to ensure that our systems, technology infrastructure and telecommunications support the business requirements with the highest levels of stability, security and integrity. We will continue to investigate emerging technologies to ensure that our systems meet the growing and changing business requirements of the organization.

Where appropriate, the AGLC will align its information systems strategies with those articulated in the Corporate Information Management/Information Technology Strategy – especially in the areas of electronic delivery of services and supporting skills development among staff.

Finance and Administration

The AGLC is committed to efficient management of resources entrusted to it. The finance and administration functions support efficient property management, purchasing (working with Alberta Infrastructure), financial reporting, and general administrative functions. Through timely reporting and effective controls, these support areas assist other units in the overall goal of meeting operating expense budgets and revenue projections.